

## WHAT'S HEALTH CARE REFORM DOING FOR AMERICANS THIS YEAR?

### IF YOU HAVE INSURANCE

When your new insurance plan year begins (typically January 1), you have new rights:

- Insurers cannot drop coverage if you get sick.
- Lifetime limits on coverage are prohibited.
- You can keep your children on your plan through age 26.
- Your insurer must spend at least 80 cents of every dollar you pay in premiums on medical care.

Additionally, when you enroll in a new plan, you cannot be charged cost-sharing for most preventive services, such as screenings and immunizations. You also have access to a new, independent appeals process if you are denied coverage by an insurance company.

### IF YOU LOSE YOUR COVERAGE OR DON'T HAVE INSURANCE

Health reform created a new website, [www.healthcare.gov](http://www.healthcare.gov) that allows you to compare health coverage options, including premiums and benefits of private plans. Visit the site to find out the best insurance plan for you.

With the passage of the Patient Protection and Affordable Care Act ("national health reform" or "the Affordable Care Act") on March 23, 2010, Illinois families and employers can anticipate a health insurance marketplace that will provide more meaningful benefits, be more accountable to consumers, and be more transparent. Most health insurance reforms are scheduled to be implemented and effective by January 1, 2014.

The establishment of a federally-funded temporary high risk pool is among the components of the Affordable Care Act scheduled for implementation in the near future. By design, the federally-funded high risk pool will provide transitional coverage to 2014 for the currently uninsured with preexisting conditions. Of course, effective January 1, 2014, the Affordable Care Act prohibits health insurers from basing coverage or pricing decisions on health status. We know that day will not arrive soon enough for many families and employers, especially in Illinois which does not require that health insurer rate increases be actuarially justified.

### What is the Illinois Pre-Existing Condition Insurance Plan?

In Illinois, the federally-funded temporary high risk pool is known as the Illinois Pre-Existing Condition Insurance Plan (IPXP). The IPXP will be a transitional insurance program for uninsured Illinois residents. The IPXP is not a public aid or entitlement program. Enrollees will be required to pay a premium and out-of-pocket costs.

When can I enroll in the IPXP?

Applications are available as of August 20, 2010, with coverage expected to begin on September 1, 2010. Applications will be accepted beginning at 10:00AM on August 20, 2010.

Enrollment commences after IPXP: (1) receives a completed application and required documentation, (2) confirms applicant eligibility, and (3) receives premium payment.

Who is eligible to enroll in the IPXP?

The Affordable Care Act established eligibility criteria for federally-funded high risk pools like the IPXP. To enroll, a person must:

1. Be a U.S. citizen, national, or legal resident;
2. Be uninsured for 6 months; and
3. Have a preexisting condition.

The Affordable Care Act specifies that enrollment in an existing high risk pool, like ICHIP, constitutes insurance.

How is the IPXP being funded?

The federal health reform law, known as the "Patient Protection and Affordable Care Act" (the "Affordable Care Act"), appropriates \$5 billion to all the states to fund temporary high risk pools in every state. The \$5 billion is allotted to the states on a population-based formula. Illinois' share will be an estimated \$196 million.

In addition to the federal funds, the IPXP will be funded by premiums paid by enrollees.

Claims and administrative expenses will be forwarded to and paid by the federal government, not the State.

What will be the IPXP benefit design (deductibles, out-of-pocket costs, etc.)?

The IPXP will cover a broad range of health benefits, including primary and specialty care, hospital care, and prescription drugs. All covered benefits are available, even if it's to treat a pre-existing condition.

Initially, the IPXP will offer one standard coverage plan to all enrollees. As the IPXP pays claims and develops a more detailed understanding of the enrollees, additional product designs may be offered.

For more info: <http://www.insurance.illinois.gov/ipxp/>

If you are a young adult and you have not been offered employer-provided coverage, your parents may be able to keep you on their insurance policy until you are 26 years old.

## IF YOU'RE A SENIOR CITIZEN

If you're not yet Medicare-eligible but you've retired from your job, there is a program that helps employers continue early retiree coverage and keep premiums low. Check with your employer to see if they are participating. You can learn more about this program at [www.errp.gov](http://www.errp.gov).

If you are enrolled in Medicare, most preventive services are now free.

If you fall into the Medicare Prescription Drug "donut hole" coverage gap, you will receive a 50 percent discount on all brand-name drugs while you're in the donut hole. That discount increases annually until the donut hole is closed.

## IF YOU OWN, OR WORK FOR, A SMALL BUSINESS

Just as in 2010, many small businesses will be eligible for tax credits for providing health insurance. These tax credits will cover up to 35 percent of employer premium contributions, depending on the size of your firm.

Small businesses qualify if they have fewer than 25 full-time workers, and their wages are less than \$50,000 a year, on average. Employers must cover at least 50 percent of the cost of health care coverage. To see if your firm is eligible, please visit: <http://go.usa.gov/CA8>.

## OTHER EARLY BENEFITS OF HEALTH REFORM

States will be provided new federal funds to examine proposed health insurance premium increases. These funds will help states finance ongoing efforts to protect consumers from unjustified rate increases.

Community health centers will see an increase in funding that will total \$11 billion over the next decade. These serve an estimated 19 million people annually.

To help address the shortage of primary care providers, health reform provides new Medicare and Medicaid incentive payments to encourage more doctors, nurses, and other providers to enter primary care.

A new student loan repayment program has been set up for doctors, nurses, and other professionals who work for governmental health agencies. Workers who serve more than three years in the public health workforce are eligible for the program.